

Renewable Energy Question #12: What methods have been used by other states or countries to set renewable targets?

There is no precise formula for determining the ‘right’ renewable energy requirement for a state to establish. Rather, best practices indicate that renewable energy target should be directly related to the primary goals that policy designers are trying to achieve, which can be different for each jurisdiction. Therefore, as a first step, policy designers should consider and develop clear goals and priorities for issues like resource diversity, environmental and public health benefits, jobs and local economic development, and technology advancement. This step can then be followed by an evaluation of available renewable energy resources, the state of existing energy infrastructure, access to transmission, and other market and policy conditions such as supply-and-demand balances, consumption growth rate, or forthcoming environmental regulations. The outcome of these priorities and evaluations must be balanced against best estimates of policy cost, and what levels of cost are ultimately acceptable to consumers and policy makers.

The result should therefore be an ambitious, but achievable renewable energy target that matches policy goals and ensures consistent, predictable renewable energy investment from the outset and continues over a sufficient period of time. It is also important to note that many state RES policies started out with a modest renewable energy target, which was later increased once the policy proved successful. Since 1999, at least 18 states have gone back and increased their renewable energy targets, and several states have done so more than once. For example, Colorado’s initial RES—passed via ballot initiative—was set at 10 percent by 2015. Since that time, the Colorado legislature has increased the target first to 20 percent and then later to 30 percent by 2020. Seventeen states and the District of Columbia now have renewable energy targets of 20 percent or higher.

Resources

- 1) Rader N. and S. Hempling. 2001. *The Renewables Portfolio Standard: A Practical Guide*. Prepared for the National Association of Regulatory Utility Commissioners. Online at: <http://www.naruc.org/grants/Documents/rps.pdf>.
- 2) Leon, W. 2012. *Designing the Right RPS: A Guide to Selecting Goals and Program Options for a Renewables Portfolio Standard*. Prepared for the State-Federal RPS Collaborative and the National Association of Regulatory Utility Commissioners. Online at: <http://www.cleanenergystates.org/assets/2012-Files/RPS/CESA-RPS-Goals-and-Program-Design-Report-March-2012.pdf>.